

Company Logo

## COMPLIANCE AUDIT PLAN

### **Audit Planning**

The Compliance Audit Plan will be reviewed no less than annually at which time it will be presented to the Compliance Committee and Finance and Operations Committee for approval.

In determining \_\_\_\_\_ audit plan, certain risk area sources and risk factors are taken into consideration.

### **Audit Risk Area Sources:**

- State Contract Requirements
- State Contract Performance Audit Criteria
- Department of Health and Human Services' Office of Inspector General (OIG) Risks for Medicaid Managed Care Document
- State and Federal Laws, including Requirements in the Balanced Budget Act of 1997 (BBA)
- State Medicaid Fraud Control Unit Target Audit Areas
- Licensure Requirements
- Accreditation Standards
- OIG Workplan
- Internal complaint logs
- Prior audit findings
- Compliance Hotline reports

### **Risk Factors:**

- State Sanctions Imposed
- State Performance Audit Criteria
- Amount of Time since last audit
- Department conducts its own audits
- Government Enforcement
- Regulatory Violation
- Financial Loss
- Inefficiencies and/or excessive costs
- Inappropriate financial reporting and/or disclosure
- Legal risk
- Internal complaints
- Failure to comply with internal policy
- Reputational Damage

Affected Department	Type of Audit	Frequency	Current Dept. Audit?	Priority	Risk Factors
<b>Billing &amp; Enrollment</b>	Review a random selection of new members to determine: (1) Were they contacted by Enrollment within 30 days; and (2) Have ID cards gone out to members timely?	Quarterly	ID Cards Audited Weekly		OIG Risk Area: Untimely first contact with members/ Untimely assignment of a PCP/ DSS Contract Requirement
	Review a random selection of members to determine if their assigned PCP is located within the required distances as indicated in State contract.	Quarterly	No Audit		Sanction Associated/ OIG Risk Area: Discouraging treatment using geographic barriers
	Audit a random selection of new members to assure that after 30 days of enrollment, their PCP is no longer listed	Quarterly	No Audit		DSS Contract Requirement

Affected Department	Type of Audit	Frequency	Current Dept. Audit?	Priority	Risk Factors
	as unknown.				
	<p><b>Premiums</b></p> <ul style="list-style-type: none"> <li>▪ Capitation payments from State: select a random sampling of members company has received capitation payments for and verify they were active members. Assure that any overpayments were reported and adjusted in the next monthly capitation payment from DSS.</li> <li>▪ Audit the reconciliation process: assure that any overpayments or underpayments were reported and adjusted in the following month's capitation payment from DSS.</li> <li>▪ Assure that rejections from the State are followed up with. Are there routine rejections and if so, why are they being rejected?</li> </ul>	Quarterly	Audited Monthly		OIG Risk Area: Enrolling ineligible or nonexistent individuals/ Failing to notify State of deceased members
	Timely and accurate billing, reconciliation & refunds.	Quarterly	No Audit		
<b>Care Management</b>	Timely decisions and notices: Review a sampling of authorization requests to determine if the following standards were met: (1) non-urgent care requests: w/I 2 business days of receiving all information; (2) urgent care requests: w/I 1 calendar day (notification on same day); (3) concurrent review requests: w/I 1 business day of obtaining all information (notification on same day); and (4) retrospective reviews: w/I 30 days of receiving all information.	Quarterly	No Audit		DSS Contract Requirement
	Expedited appeals: Review a sampling of expedited appeals (and all corresponding documentation) to determine if appropriate action was taken based on DSS contract requirements.	Quarterly	No Audit		Sanction Associated
	Conduct a random review of members being case	Semi-	Audited		DSS Contract

Affected Department	Type of Audit	Frequency	Current Dept. Audit?	Priority	Risk Factors
	managed to determine if the minimal case management requirements are being met as defined in the DSS contract.	annually	Quarterly		Requirement
	Conduct interview with a member who is disenrolling to learn about possible issues with quality of care provided and utilization of services.	Semi-annually	No Audit		Suggested in OIG Compliance Guidance
<b>Claims</b>	Sampling of 30 claims, reviewing for accuracy, timeliness, data entry, provider set-up, provider payment, provider contract (if participating), benefits, credentialing status, member record, authorization, and adjudication. Medical records will also be requested for these claims and reviewed by Quality Improvement against the claim submitted.	Quarterly	Claims Audited Monthly		
	Verify that any non-routine disclosures (ex: claims information requests from Attorneys) have the appropriate authorization forms & documentation is maintained.	Quarterly	No Audit		Federal Law
	Review the number of and reasons for emergency services denials to determine if inappropriate denial patterns exist.	Quarterly	No Audit		Subject to DSS Corrective Action per Contract
<b>Compliance</b>	Conduct provider-specific fraud audits.	Quarterly (or as necessary)	Periodic Audits		Sanction Associated/ OIG Risk Area: Provider Fraud areas/ DSS Contract Requirement
	Review each provider CHNCT reimburses to assure they are not on the Department of Treasury “specially designated nationals” list of sanctioned individuals.	Monthly	No Audit		Executive Order 13224: Blocking Property & Prohibiting

Affected Department	Type of Audit	Frequency	Current Dept. Audit?	Priority	Risk Factors
					Transactions with Persons who Commit, Threaten to Commit or Support Terrorism
<b>Corporate</b>	Review of filings required by State and Department of Insurance.	Annually	No Audit		Regulatory Requirement
<b>Finance</b>	<b>Reinsurance</b> Audit the reinsurance process, including timeliness of submissions, accuracy and overpayments.	Semi-annually	No Audit		DSS Contract Requirement
<b>HIPAA</b>	<b>Privacy/ Security:</b> Audit each employee's workstation to during non-business hours to assure his or her identified areas are locked and no PHI is visible on desktops.	Quarterly	Audited Quarterly		Federal Law
	<b>Privacy:</b> Randomly call certain departments to test the following processes: (1) Verification procedures; (2) Authorization procedures for certain PHI requests; and (3) Personal representative procedures.	Quarterly	No Audit		Federal Law
	<b>Privacy/ Security:</b> Select a group of random employees who have access to varying levels of PHI in the PowerSTEPP system. Sit with each employee and verify his or her access is appropriate for his or her job classification.	Quarterly	No Audit		Federal Law
	<b>Transactions:</b> Perform a random coding review to assure CHNCT is not using any homegrown or unapproved local codes for dates of service prior to 10/16/03.	Semi-annually	No Audit		Federal Law
	<b>Transactions:</b> Determine if there are edit mechanisms	Semi-	No Audit		Federal Law

Affected Department	Type of Audit	Frequency	Current Dept. Audit?	Priority	Risk Factors
	in place to flag noncompliant transactions.	annually			
<b>Health Services</b>	Review documentation on drug formulary changes (additions and deletions) to assure the protocols required by DSS have been followed.	Semi-annually	No Audit		OIG Risk Area: Slow or non-existent drug formulary updates/ DSS Contract Requirement
<b>Human Resources</b>	Review of regulatory filings for employee benefits.	Annually	No Audit		Regulatory Requirement
<b>Marketing</b>	Are marketing materials complete, accurate, not misleading and approved by DSS? <ul style="list-style-type: none"> <li>▪ Are the marketing guidelines issued by the State followed?</li> <li>▪ Verify that sign-offs exist for all marketing materials submitted to DSS for that current year. Select marketing materials randomly to check.</li> </ul>	Semi-annually	No Audit		Sanction Associated/ Federal Law/ OIG Risk Area: Appropriate marketing and enrollment practices by Medicaid Managed Care Entities
	Conduct an interview with each marketing employee to test their knowledge and understanding of specific DSS marketing guidelines.	Annually	No Audit		Suggested in OIG Compliance Guidance
<b>Member Services</b>	Review reports for member telephone calls to assure DSS contract standards are met.	Quarterly	Audited Daily		Sanction Associated
	Review member notices and communications for timeliness and accuracy.	Quarterly	No Audit		Contract Requirement
	Review member complaint logs to identify any compliance-related issues.	Quarterly	No Audit		
<b>Provider</b>	Review documentation on providers who have been	Quarterly	No Audit		Federal Law/ DSS

Affected Department	Type of Audit	Frequency	Current Dept. Audit?	Priority	Risk Factors
<b>Relations</b>	excluded/ suspended in participation with federal programs. Perform a random audit to assure these providers are not in the claims or provider systems.				Contract Requirement
	Ensure members have adequate access to care by reviewing data on the ratio of members to: <ul style="list-style-type: none"> <li>▪ The number of PCPs in each county; and</li> <li>▪ The number and type of specialists in each county.</li> </ul> Standards are identified in the DSS Contract.	Quarterly	No Audit		Sanction Associated/ OIG Risk Area: Falsified or inadequate provider network/
	Ensure that network PCPs are following the required PCP scheduling practices (so that members have access to care), by reviewing quarterly reports from external survey vendor.	Semi-annually	Audited Quarterly		Sanction Associated
	Review a sampling of existing provider contract files to assure each has the applicable amendments in place to bring the contract into compliance with DSS contract requirements.	Semi-annually	No Audit		DSS Contract Requirement
<b>Quality Improvement</b>	Randomly select sampling of credentialing files to audit (PCPs and Specialists separately) to assure the minimum credentialing and recredentialing criteria as defined by DSS contract is followed. Verify all providers are being checked against the National Practitioner Data Bank (NPDB).	Quarterly	No Audit		Sanction Associated/ OIG Risk Area: Falsification of provider credentials
	Assure that routine audits are performed for Delegated Credentialing sites. Review documentation of audits conducted to assure DSS credentialing requirements have been met.	Annually	Audited Annually		DSS Contract Requirement
	Review the clinical reports submitted to DSS to assure the State reporting schedule has been met.	Quarterly	No Audit		Sanction Associated
	Evaluate member satisfaction survey results.	Annually	Reviewed		

Affected Department	Type of Audit	Frequency	Current Dept. Audit?	Priority	Risk Factors
			Annually		
	Early access to prenatal care performance measure identified in State contract	Semi-annually	Audited Annually		DSS Performance Measure
	Adequacy of prenatal care performance measure identified in State contract	Semi-annually	Audited Annually		DSS Performance Measure
<b>Technical Services</b>	Assure the server room is physically secure (door is locked during non-business hours or when MIS employees are not in office).	Quarterly	No Audit		Federal Law